APPENDIX M

Excerpts of Transcript - Arguments on Presentence Report dated 5/16/97

What is the defendant? Focusing on the Loma Linda transaction, which is the one that I can prove by a preponderance. What -- and if something should happen to the plea, what would the Government be going to trial on? The Loma Linda transaction.

With respect to Refco, Refco was only the house, the custodial bank of a portion of the Loma Linda fund. Loma Linda funds were in other banks. I believe it's through specific other entities, so that the Refco funds that were lost, come out to the mount that we were discussing, the seven hundred plus thousand, and that's where that continues to start; between $1,8 million and seven hundred and seventy plus thousand dollars, And Ms, Goodman was only the employee of Refco. She had no dealings with the other trades, with the other -- with Loma Linda's money at any other houses where Loma Linda's money was.

THE COURT: What was the loss to Loma Linda?

MS. WERNER-SIMON: 1.8 million. Overall from all the Wymer schemes, but --

THE COURT: We're talking about this scheme.

MS, WERNER-SIMON: This, $770 -- .

THE COURT: $773,000.

MS. WERNER-SIMON: Yes, Your Honor, said the forensic accountant.

THE COURT: And how much did she receive?

MS. WERNER-SIMON: Now, your question, which I'll take out of order that I was going to respond to, is a good question in that, what do we look at? You are focusing on, as is correct, what is the illegitimate aspect of the scheme?

Ms. Goodman was involved in the legitimate aspect of the scheme -- pardon me, of the operation. She was the trader. She worked at a desk, had various roles at Refco with respect to Wymer and with respect to this particular client.

Now, the question you queried Mr. Mistrett was; "Mr.

Mistrett", you asked, "Do you contest that she received these items for her assistance"? Then he said, I do not -- "I do",and then you asked again, "Do you contest she received these for her involvement with Wymer"? He said he did not.

Well, looking at it in the light of the defendant, she, and as the evidence has shown, received these items in part because of the legitimate aspect of the relationship. There were legitimate aspects to Loma Linda. Loma Linda and other individuals, the other individual cities, but focusing on solely on Loma Linda, she -- how do we know --

THE COURT: The loss attributable is $508,000 calculated for the adjustment role.

MS. WERNER-SIMON: Correct. I mean, we look at that and joint participation, and under the joint participation analysis, that's the number forensic accountants have determined.

So, if I may take it just one step further, how do we know that Ms. Goodman -- what evidence do we have that Ms. Goodman was acting consistent with her state of mind, that this was under the legitimate aspect of the relationship of Loma Linda; that Loma Linda did have an account; that Mr. Wymer was a prize client? Well, the most significant piece of evidence to me inthat assessment is, what Mr. Mistrett brought out in his papers and also in argument today, which is if he'd elicit -- if it is improper, why then would she publicize it and seek out counsel's guidance to determine whether it is proper for brokers or people working with trading desks, which are regulated to receive gifts, and as you find, again, focusing on this aspect, the Loma Linda aspect and the others, you'll see it was a course of conduct of Mr. Wymer to give gifts to everyone of significance -- of a significant nature.

THE COURT: Well, the people were aiding in a scheme to defraud.

MS. WERNER-SIMON: No, not necessarily.

THE COURT: Well, all but.-- but a good portion.

MS. WERNER-SIMON: Yes, but you asked me to all people. At this point, gifts to client cities, gifts to auditors, gifts to -- and yes, to those who are part of his network and operation, gifts of significant value.

So, with respect to that, you also asked about Ms. Goodman and her participation at Refco and others involved in Refco. There were others, and this is civil litigation which is...